

Message Text

UNCLASSIFIED

PAGE 01 OECD P 30620 291924Z

43

ACTION EUR-25

INFO OCT-01 ISO-00 EURE-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 EA-11 FRB-02 INR-10 IO-14 NEA-10 NSAE-00 RSC-01

OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01

OIC-04 DRC-01 /137 W

----- 116901

P R 291652Z NOV 73

FM USMISSION OECD PARIS

TO SECSTATE WASHCC PRIORITY 1249

INFO USMISSION NATO BRUSSELS

UNCLAS OECD PARIS 30620

EOF EUR/RPE

EO 11652 N/A

TAG AOARG OECD

SUBJECT 125TH MEEETING OF COORDINATING COMMITTEE OF GOVERNMENT

REF: (A) STATE 218873, (B) OECD PARIS 28369,

(C) CCG/W(73)31, (D) CCG/W(73)32.

1. BEGIN SUMMARY: DURING INITIAL CCG DISCUSSION DRAFT REPORT TO COUNCILS ON PENSION SCHEME FOR STAFF COORDINATED ORGANIZATIONS (REF C). RELATIVELY FEW ARAES DISAGREEMENT WERE IDENTIFIED. COMPLETION CONSIDERATION DRAFT REPORT SCHEDULED FOR CCG MEETING DECEMBER 12 THOUGH 14. DETAILED REGULATIONS BE ESTABLISHED BY CCG AFTER APPROVAL PENSION SCHEME BY COUNCILS. END SUMMARY.

2. DRAFT CCG REPORT INCLUDES PRINCIPAL FEATURES PROPOSED PENSION SCHEME THAT WERE OUTLINED IN REF B.

3. PRINCIPAL AREAS DISAGREEMENT WERE
A. LEAVING ALLOWANCE - IN LIEU OF FORMULA FOR
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OECD P 30620 291924Z

CALCULATING LEAVING ALLOWANCE, SECRETARIES-GENERAL

PROPOSE THAT LEAVING ALLOWANCE BE CALCULATED ON BASIS
21 PERCENT OF FINAL SALARY FOR EACH YEAR OF SERVICE.
COST DIFFERENCE BETWEEN TWO PROPOSALS LESS THAN ONE
PERCENT. WITH EXCEPTION ITALY, GERMANY AND BELGIUM,
COMMITTEE ABLE ACCEPT ALTERNATIVE FORMULA.

B. ADJUSTMENT OF PENSIONS- COMMITTEE AGREED AUTOMATIC
ADJUSTMENT PENSION FOR COST OF LIVING CHANGES AT SAME
PERCENTAGE AS THOSE APPROVED FOR STAFF OF COORDINATED
ORGANIZATIONS. ANY ADJUSTMENT FOR STANDARD OF LIVING
CHANGES WOULD BE SUBJECT TO SUBSEQUENT RECOMMENDATIONS
BY CCG. SECRETARIES-GENERAL STRESSED IMPORTANCE AUTOMATIC
ADJUSTMENTS FOR STANDARD OF LIVING AND WILL RE-OPEN ISSUE
AT NEXT MEETING.

C. DATE OF ENTRY INTO FORCE OF PENSION SCHEME - CCG AND
SECRETARIES-GENERAL AGREED THAT ADMINISTRATIVE PROBLEMS
INVOLVED IN IMPLEMENTATION SCHEME BE MINIMIZED IF SCHEME
BECAME EFFECTIVE JULY 1, 1974 INSTEAD OF JANUARY 1,
1973. HOWEVER, ELIGIBLE RETIREES WOULD BE COVERED BY
PENSION SCHEME WITH EFFECT FROM JANUARY 1, 1973.

D. OPTIONS AVAILABLE TO PRESENT STAFF - CCG AGREED
(WITH GERMANY DISSENTING) ALLOW PRESENT STAFF HAVE OPTION
EITHER JOINING PENSION SCHEME OR REMAINING UNDER EXISTING
PROVIDENT FUND ARRANGEMENT.

E. ADDITIONAL PENSION BENEFITS - UK, GERMANY,
NETHERLANDS, BELGIUM AND US OPPOSED GRANTING ADDITIONAL
PENSION RIGHTS (2-0/0 PER YEAR OF SERVICE PLUS BONUS OF 5-0/0
OF PENSION ENTITLEMENT ATTAINED AT AGE 60) FOR STAFF
MEMBERS CONTINUING WORK BETWEEN AGES OF 60 AND 65.

F. VALIDATION OF PRIOR SERVICE - MAJORITY COMMITTEE
ACCEPTED FORMULA FOR VALIDATION OF PAST SERVICE. UK AND
NETHERLANDS BELIEVED FULL AMOUNT IN PROVIDENT FUND SHOULD
BE REQUIRED TO VALIDATE PRIOR SERVICE. GERMANY ACCEPTED
FORMULA WITH EXCEPTION THAT SUPPLEMENTARY PAYMENTS MADE
BY COUNTRIES TO PROVIDENT FUND SHOULD BE FULLY REIMBURSED.

4. TWO ISSUES WILL REQUIRE TO BE RESOLVED ONCE A PENSION
SCHEME HAS BEEN APPROVED BY COUNCIL.

A. GOVERNMENT GUARANTEES. SECRETARIES-GENERAL REAFFIRMED
IMPORTANCE OF MEMBER GOVERNMENTS UNDERTAKING TO ASSUME
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OECD P 30620 291924Z

DUE SHARE OF PENSION OBLIGATIONS IN EVENT OF WITHDRAWAL
FROM ORGANIZATION OR IN CASE OF DISSOLUTION OF
ORGANIZATION. UNDER EXISTING PROVIDENT FUND ARRANGEMENT
THIS QUESTION NEVER AROSE AS FULL 21 PERCENT CONTRIBUTION
WAS MADE ANNUALLY BY MEMBER GOVERNMENTS. UNDER
BUDGETIZED PENSION SYSTEM CONTRIBUTIONS BY MEMBER
GOVERNMENTS WILL BE CONSIDERABLY BELOW 21 PERCENT LEVEL
DURING EARLY YEARS OPERATION PENSION SCHEME. PENSION

GROUP ESTIMATED THAT CLIMB TO EXISTING 21 PERCENT
CONTRIBUTION LEVEL COULD EXTEND OVER 25 YEAR PERIOD.
WHEN FULL BURDEN TO PENSION SCHEME REACHED, CONTRIBUIONS
RQUIRED WOUL BE MORE THAN 21 PERCENT LEVEL.
B. TAX EXEMPTION FOR PENSIONS. GENERAL AGREEMENT TO
DEFER EXAMINATION TAXATION EXEMPTION UNTIL CCG REQUESTED
CONDUCT STUDY BY COUNCILS.

5. UNLESS INSTRUCTED OTHERWISE, MISSION WILL FOLLOW
GUIDELINES SET OUT IN REF A.BROWN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973OECDP30620
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973115/aaaaadmu.tel
Line Count: 125
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: (A) STATE 218873, (B) OECD PARIS 283, 69
Review Action: RELEASED, APPROVED
Review Authority: worrelsw
Review Comment: n/a
Review Content Flags:
Review Date: 24 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24-Jan-2002 by bryansd0>; APPROVED <15 MAR 2002 by worrelsw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 125TH MEEETING OF COORDINATING COMMITTEE OF GOVERNMENT
TAGS: AORG
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005